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Desktop Valuation Instructions for Housing Providers

Housing Services Corporation (HSC)

August 2026

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Section 1:

Introduction

Housing Services Corporation (HSC) in conjunction with Marsh Canada - Risk Consulting is pleased to offer an efficient desktop replacement cost new (RCN) valuation service to housing providers. This service is designed to help housing providers determine whether current building replacement value is in alignment with industry recognized (Marshall & Swift based) market / replacement cost estimates. If the value provided by this review does not appear to be in alignment with expectations - or with values that may have been established independently by other sources for the Client - we recommend a full appraisal of the facility be undertaken. Marsh can provide this service at the Client's request for an additional fee.

Scope and Approach

The scope of this desktop valuation service includes a review of client supplied data and information on the identified property(ies) and entry of the data into the Core Logic Commercial Express valuation software to produce a high-level estimate of the Replacement Cost New (RCN). This engagement is reliant on client supplied documentation, such as architectural drawings, floor plans, and photographs, along with information provided on this Desktop Valuation Request Form.

Section 2:

Instructions

Each Housing Provider requiring a valuation must complete the Marshall & Swift Input form in **electronic format only** (no handwritten copies) as accurately as possible. The following are mandatory requirements:

- As a minimum, **all sections of the collection form must be completed**
- Photos of the building, preferably of all exterior sides and samples of common interior areas

When completing valuation input forms for locations with multiple buildings (i.e. townhouse complexes), **one form must be completed for each detached building**. If there are multiple identical buildings (i.e. size, height, construction type, etc.) in a complex, the user may complete a valuation for one of the identical buildings and duplicate the values for the other identical buildings.

- Additional instructions for completing the form are provided in Section 3.
- A Sample Report is provided in Section 4.

We suggest you complete and save one file name per building. If you are unsure of how many forms to complete, before filling in any forms, it would be best if you could provide a site plan for the complex and ideally photographs. We'll then come back to you with some specific guidance on the data to provide.

The following additional information should also be provided where available for each valuation:

- Site plan
- Aerial views of the site

Once complete, please forward the completed form to HSC. You will receive a detailed valuation report from HSC after the information is inputted and reviewed.

Section 3:

Marshall & Swift/Boeckh BVS Express Software

The following are guidelines for filling out various fields on the Marshall & Swift/Boeckh input form. Most of the fields are straightforward and ask for numbers that total a percentage or are a choice from a list.

Gross Floor Area

The gross floor area is the total floor area (measured in square feet or square meters) of all floors in the building that you would like considered in your valuation. The measurement is taken around the exterior perimeter of the building. The measurement includes stairwells and elevator shafts, but does not include areas such as basements and mezzanines (entered separately).

Example:

A one-story building with exterior wall dimensions of 100' x 100' would have a gross floor area of 10,000 square feet. If that same building was three-stories, the gross floor area would be 30,000 square feet. If the first two stories were 10,000 square feet each and the third floor was 5,000 square feet, then the gross floor area would be 25,000 square feet.

This includes **all areas**, not just rentable or leasable area.

Scaled floorplans will help ensure that an accurate gross floor area and perimeter measurement is available.

Construction Quality

Either enter a number between 1.0 and 5.0 with 0.5 increments (economy, average, superior, and premium). If the building is judged to be between two quality designations, then enter a factor between the two. If no entry is made, the quality is assumed to be average.

Construction quality involves a combination of quality materials, workmanship, quality design, and complexity. These are not always consistent; the design may be

average but workmanship and materials can be of excellent quality. These factors should be weighed individually and then combined to arrive at one construction quality adjustment. The ability of the user to observe these different factors will determine where to adjust for quality. If the user is uncertain, it is best not to apply any adjustment factor. Attach a photo to the completed form for validation by specialists if there is any question about how to complete this question.

Construction Type

Refer to Section 5 for definitions and illustrations.

Additional Information

In addition to completing the form, additional information such as photos of the building, site plans or aerial photographs will be useful to further establish a more accurate picture of the facility in question. The more information that can be provided to the appraiser, the more accurate the results of the estimate will be.

If you have any questions about the information that should be supplied, please contact HSC or Marsh and we will be happy to assist.

Section 4:

Sample Input Form

DESKTOP VALUATION REQUEST FORM

Data Collection and Input Form

Please fill out ALL fields (as applicable)

Valuation Details	
Client Name	
Head Office Address	

Location / Building Details									
Building / Location Name									
Location Address									
Building Condition	Very Poor		Poor		Average		Good		Excellent
Year Built		**Building Height**		ft	**# of Storeys**		**Storey Height**		ft
					# of Passenger Elevators		**# of Freight Elevators**		
Gross Floor Area		**Ft²**	**Building Perimeter**		**ft**	**Exterior Wall Openings**			%
						(% of exterior wall that is windows, doors, or other openings)			

Primary Occupancy	Apartment Low-Rise	☐	**Construction Class**	Wood Frame (ISO 1)	☐
	Apartment High-Rise	☐		Joisted Masonry (ISO 2)	☐
	Row House	☐		Non-Combustible (ISO 3)	☐
	Town House	☐		Masonry Non-Combustible (ISO 4)	☐
	Multiple Residence, Assisted Living	☐		Modified Fire Resistive (ISO 5)	☐
	Multiple Residence, Senior Citizen	☐		Fire Resistive (ISO 6)	☐
	Group Care Home	☐	Construction Quality	Economy	☐
	Nursing Home / Convalescent Center	☐		Average	☐
	Home for the Elderly	☐		Superior	☐

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DESKTOP VALUATION REQUEST FORM

Building Substructure			
Is There a Basement?	Yes / No	**Is there a Below Grade Parkade?**	Yes / No
Finished Gross Area	ft^2	**Parkade Gross Area**	ft^2
Unfinished Gross Area	ft^2	**Basement Depth / Storey Height**	ft
# of Basement Levels		**Basement Construction Class**	
Crawlspace	ft^2	Wood Frame (ISO 1) ☐	Masonry Non-Combustible (ISO 4) ☐
Stilts, Wood	ft^2	Joisted Masonry (ISO 2) ☐	Modified Fire Resistive (ISO 5) ☐
Stilts, Concrete / Steel	ft^2	Non-Combustible (ISO 3) ☐	Fire Resistive (ISO 6) ☐
No Floor Slab	ft^2		

Mechanical Systems		
Fire Protection		
Sprinkler System	%	An automatic fire sprinkler system, consisting of piping and sprinkler heads that discharge water upon activation by a flame.
Fire Alarm System	%	A manual fire alarm system includes pull stations with either a horn or bell, or a light. This system is not connected to any other systems or the fire department.
Automatic Fire Detection	%	An automatic fire detection system includes a smoke and / or fire detection system that activates the manual fire alarm systems. This system typically activates fire doors, shuts down the air conditioning system, and notifies the fire department.
Plumbing Systems		
# of Fixtures		Kitchen Sinks, Bathroom Sinks, Toilets, Bathtubs/Shower Heads, Water Heaters, Laundry Sinks, Large Wash Tubs, Urinals, etc.
Electrical Systems		
Quality	None ☐	Low ☐ Average ☐ High ☐

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Heating and Cooling			
System Type	**Heating**	**Cooling**	**Definition**
Boiler & Piping Only	%		A boiler used to heat water to a desired temperature creating hot water or steam. The heating medium is then piped to the convection device.
Electric Baseboard or Wall Unit	%		This system utilizes an electric resistance element that is protected by an enclosure. A thermostat regulates the room temperature.
Forced Warm / Cool Air	%	%	A forced warm air system consists of a fan or blower, a fuel burner, ductwork, and registers. By adding a cooling coil to the supply ducting, either warm or cool air can be supplied on demand.
Suspended Unit Heaters	%		A unit heater consists of a heating element and a motor driven fan within a factory-assembled housing.
Heat Pump	%	%	A heat pump is an energy-efficient means of providing both heating and cooling. It utilizes a reversible heat transfer cycle that allows the condenser and evaporator to serve dual purposes.
Rooftop Unit	%	%	A rooftop package unit is a self-contained unit that comes from the factory ready to be installed and operated. It can supply cooling and/or heating.
Steam / Hot Water w/ Radiators	%		Radiators are usually made of cast iron and connected in sections as needed. The heating is provided by a boiler.
Steam / Hot Water w/ Unit Heaters	%		A convector is a heating element in an enclosure, placed at a low level in the area to be heated. It may be free standing, wall mounted, or baseboard. The heating is provided by a boiler.
Thru-Wall Unit	%	%	Factory-selected wall sleeves with a separate uncased combination of heating and cooling components, assemblies, or sections intended for mounting through the wall to serve a single room or zone.
Chilled Water w/ Air Handlers		%	The cost of the distribution system is included with the heating system. The unit consists of a fan and a motor, a heating element, and a cooling coil housed in an enclosure. The unit is usually concealed from view by placing it in an equipment room or above the ceiling. Air from the unit is controlled by dampers and thermostats.
Chilled Water w/ Fan Coil Units		%	The cost of the distribution system is included with the heating system. This system includes cooling towers either on the roof or next to the building. In a fan coil unit, water is circulated through the unit's coils as air is forced across it by a fan and discharged into the room.
Evaporative Coolers		%	An air-conditioning unit that cools using water evaporation. Outdoor air is drawn through a moistened filter pad in a cabinet, and the cooled air is then circulated throughout the residence. Typically found in areas with low humidity. Also known as a swamp cooler.
Unit AC, Air Cooled	%	%	Most unit air conditioners, which resemble freestanding cabinets, are used for cooling only. When used in conjunction with a heat source, these units can be used for year-round air conditioning. An air-cooled conditioner relies on a remote air-cooled condensing unit.
Unit AC, Water Cooled	%	%	
Ventilation Only	%	%	In some instances when heating of a space is not required but air circulation is, fans, blowers, or ventilators are used.
None	%	%	No heating or cooling service

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DESKTOP VALUATION REQUEST FORM

Exterior Finishes

Exterior Walls

Adobe Block	%	Curtain Wall, Granite	%	Siding, Wood on Frame	%
Brick on Frame	%	EIFS on Frame	%	Siding, Wood on Masonry	%
Brick on Masonry	%	EIFS on Masonry	%	Stone on Frame	%
Brick, Solid	%	Glass Block	%	Stone On Masonry	%
Brick, Solid, 18" Thick	%	Granite Block, Solid, 24" Thick	%	Stone, Solid, 12" Thick	%
Brick, Solid, 24" Thick	%	Insulated Sandwich Panels	%	Stone, Solid, 18" Thick	%
Concrete Block	%	Siding, Fiber Cement on Frame	%	Stone, Solid, 24" Thick	%
Concrete Block, Split Face	%	Siding, Fiber Cement on Masonry	%	Stucco On Frame	%
Concrete, Poured-in-Place, 7" to 10"	%	Siding, Metal or Other on Frame	%	Stucco on Masonry	%
Concrete, Precast Panels	%	Siding, Metal or Other on Girts	%	Plaster, on Lath	%
Concrete, Tilt-Up Panels	%	Siding, Metal or Other on Masonry	%	Wallpaper, Vinyl	%
Curtain Wall, Glass	%				

Roof Pitch

Flat	%	Medium (8:12 to 12:12)	%
Low (2:12 to 6:12)	%	High (15:12 to 24:12)	%

Roof Finish Materials

Aluminum	%	Metal Sandwich Panels	%	Single-Ply Membrane	%
Built-Up / Tar and Gravel	%	Mineral Fiber	%	Slate	%
Built-Up, Smooth	%	Shakes, Wood	%	Steel	%
Copper	%	Shingles, Asphalt	%	Tile, Clay	%
Fiberglass, Translucent Panels	%	Shingles, Fiberglass	%	Tile, Concrete	%

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DESKTOP VALUATION REQUEST FORM

Interior Finishes

Flooring Finishes

Carpet	%	Marble	%	Tile, Asphalt	%
Concrete Sealer or Topping	%	Pedestal	%	Tile, Rubber	%
Epoxy	%	Seamless	%	Tile, Vinyl Composite	%
Gratings	%	Slate	%	Tile, Quarry	%
Hardwood	%	Synthetic Gym Floor	%	Vinyl Sheet	%
Hardwood Gym Floor	%	Terrazzo	%	None	%
Linoleum	%	Tile, Ceramic	%		%

Ceiling Finishes

Cold Storage Insulation	%	Panelling, Wood	%	Textured Finish	%
Drywall	%	Plaster, Sprayed	%	Tile, Acoustical	%
Drywall Vinyl Covered	%	Plywood / Hardwood / Fibreboard	%	Tile, Cork	%
Paint	%	Suspended Acoustical	%	Tile Metal	%

Interior Wall Structure

Total Linear Feet	ft	Estimated total length of all interior walls. % below separates the different types.

		Demountable	%	Studs, Girts, etc.	%
Brick, Solid	%	Folding	%	Tile, Clay	%
Concrete Block	%	Glass Block	%	Woven Wire Panels	%
Concrete, Poured-in-Place	%	Glass Wall	%	None	%

Interior Wall Finishes

Cold Storage Insulation	%	Plaster, Sprayed	%	Tile, Acoustical	%
Drywall	%	Plaster, On Lath	%	Tile, Ceramic	%
Epoxy	%	Plywood / Hardwood / Fibreboard	%	Tile, Quarry	%
Paint	%	Sheet Metal	%	Wallpaper, Vinyl	%
Panelling, Solid Wood	%	Textured Finish	%	None	%

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DESKTOP VALUATION REQUEST FORM

Building Additions						
		Quantity	Gross ft² (avg)		Quantity	Gross ft² (avg)
Balconies	Wood Frame			Protected Steel Frame		
	Steel Frame			Reinforced Concrete		
Canopies	Wood Frame w/ Flat Roof			Wood Frame w/ Pitched Roof		
	Light Steel Frame			Heavy Steel Frame		
	Concrete w/ Flat Roof			Concrete w/ Pitched Roof		
Raised Patio Decks	Softwood			Hardwood / Metal		
	Patio Roof			Patio Roof Structure		
Mezzanines	Wood Frame			Protected Steel Frame		
	Steel Frame			Reinforced Concrete		
Emergency Generator			KW Rating			

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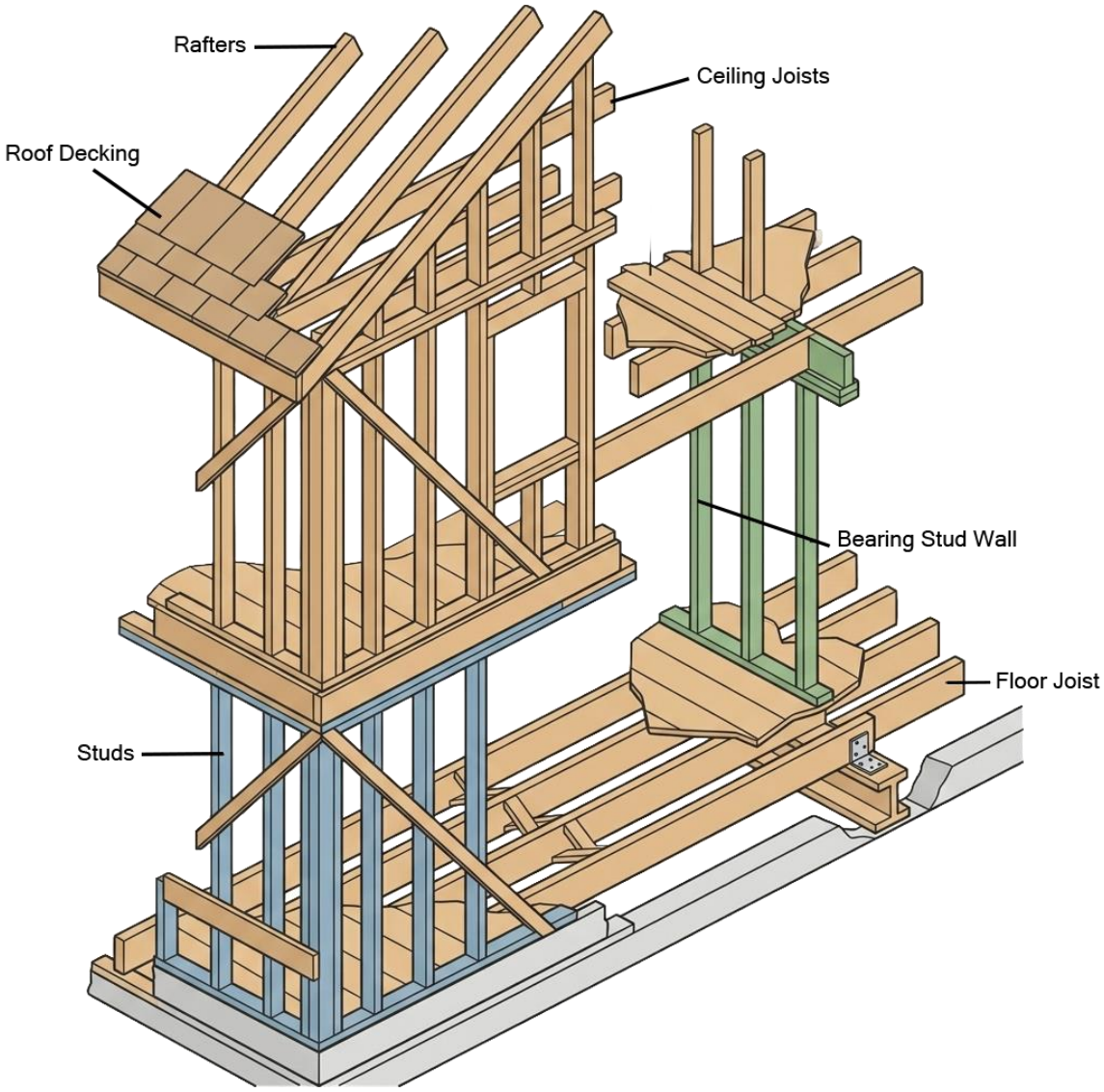
Section 5:

Construction Type Definitions

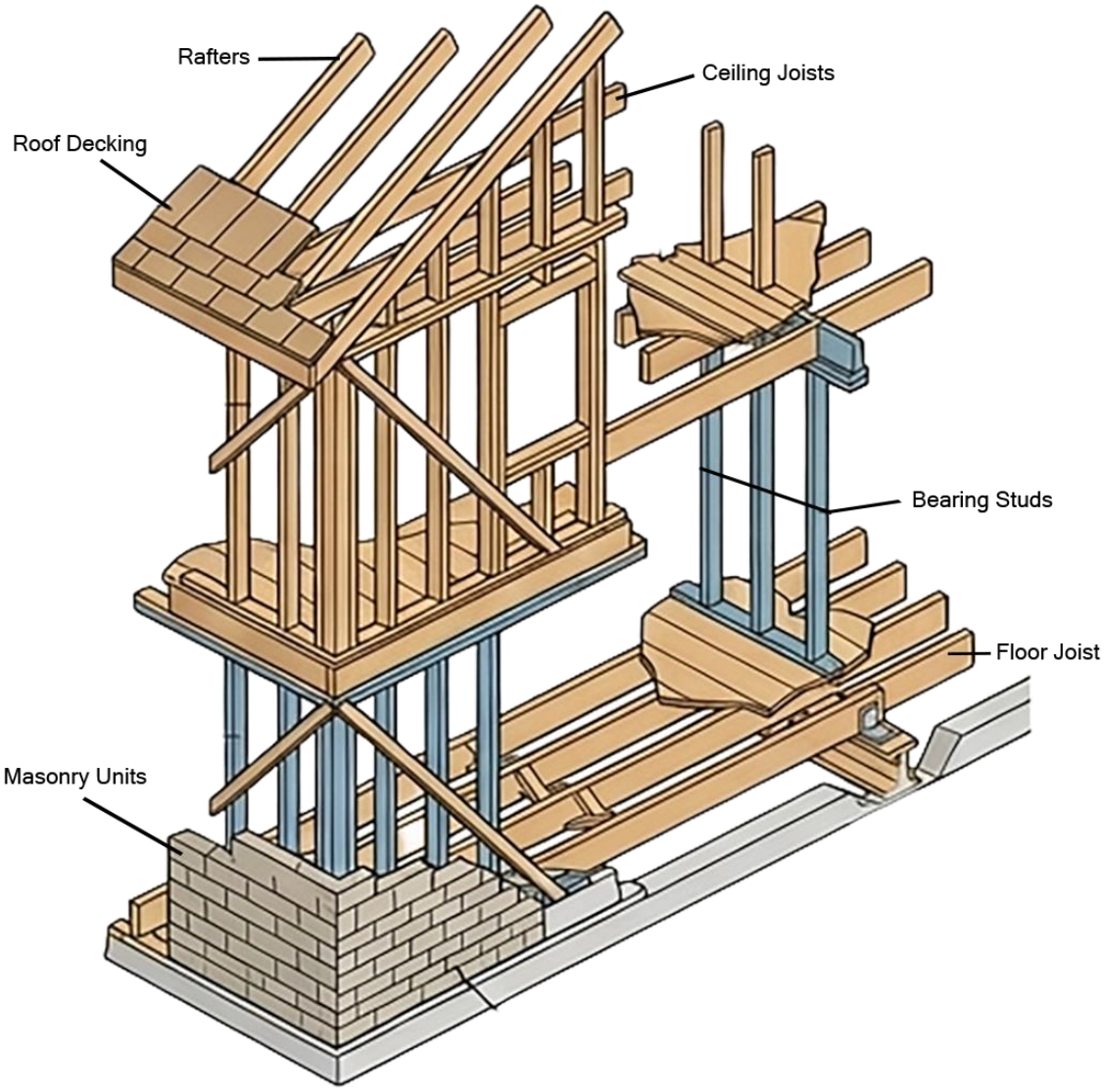
Wood or Light Steel Frame (ISO 1)

A building where the exterior walls, bearing walls and partitions, the structural floors and roof, and their supports, are wood or light-gauge metal. This includes buildings where the wood or light-gauge metal has been combined with other materials to form composite components such as wood or metal studs with brick or stone veneer, stucco or metal siding. Buildings classified as ISO Class 1 are characteristic of this type.



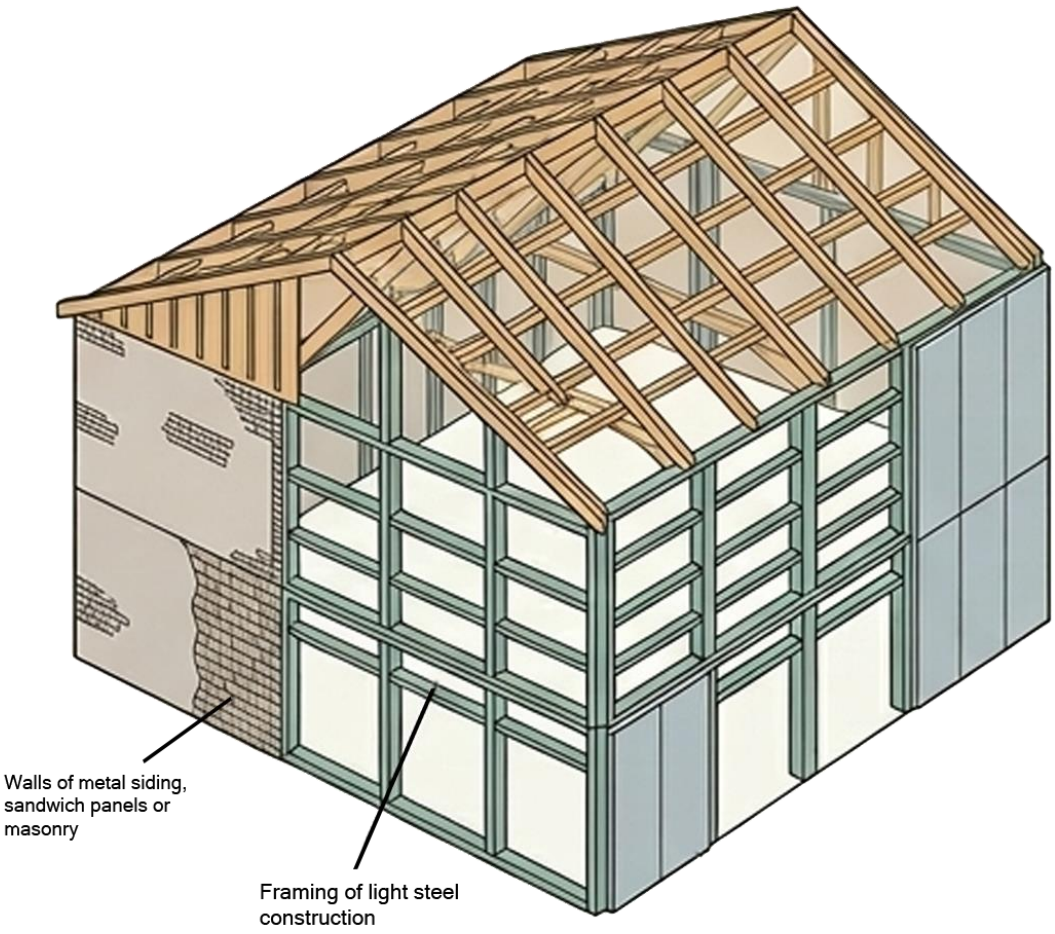
Masonry / Joisted Masonry (ISO 2)

A building that has the exterior walls constructed of a material such as brick, hollow or solid concrete block, concrete, gypsum block, clay tile, stone, or similar materials. The structural floors and roof are of wood or light-gauge metal. Buildings classified as ISO Class 2 are characteristic of this type.



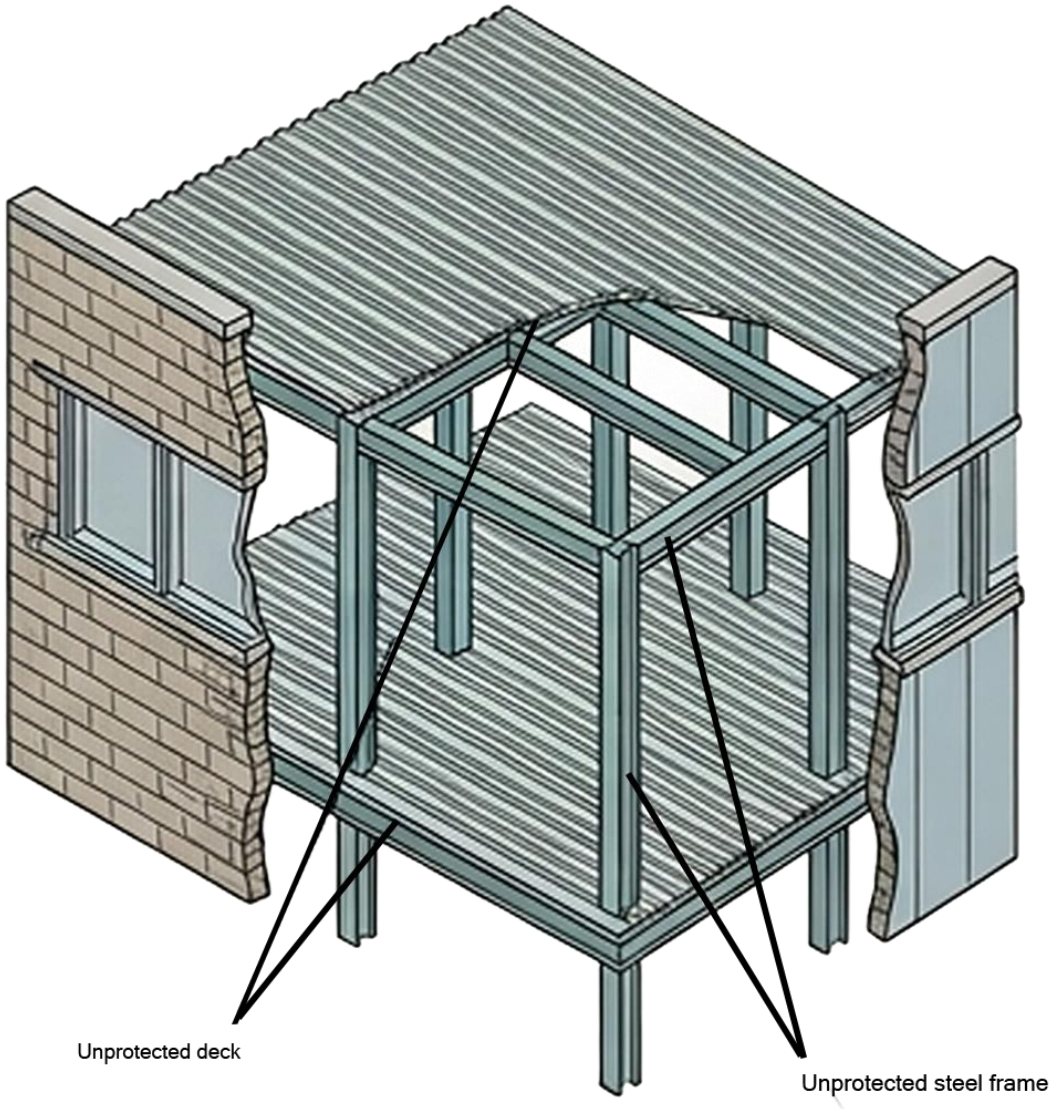
Pre-Engineered Metal / Non-Combustible (ISO 3)

A building that employs a system of pre-engineered rigid steel framing members. The exterior walls are of metal siding, sandwich panels, or masonry, and the roof is clad with metal roofing or sandwich panels. Buildings classified as ISO Class 3 are characteristic of this type.



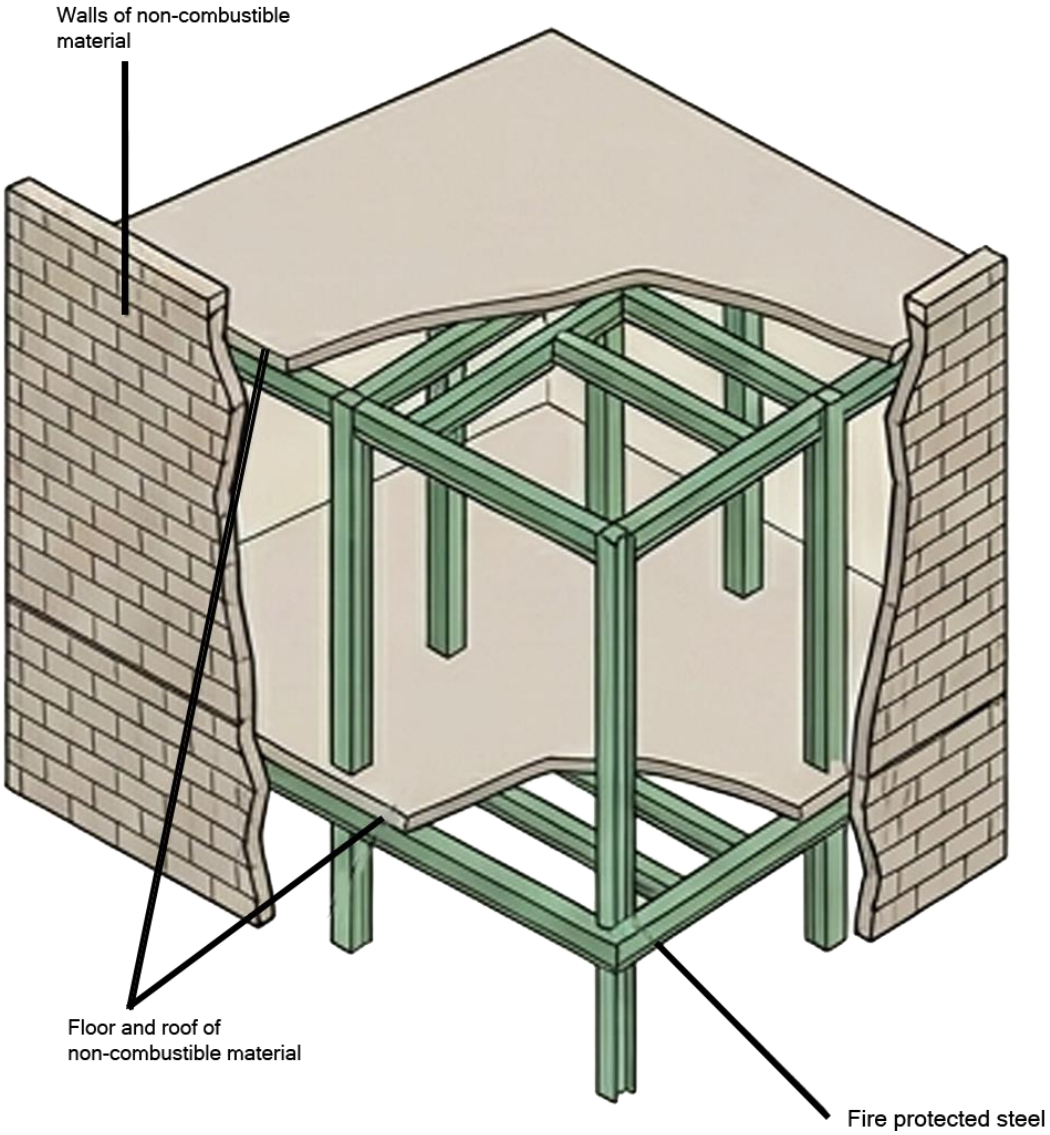
Steel Frame / Masonry Non-Combustible (ISO 4)

A building where the structural floors and roof are of unprotected non-combustible materials such as metal decking or concrete on metal decking, and are supported by an unprotected structural steel frame, fire resistive exterior walls, or a combination of both. Buildings classified as ISO Class 4 are characteristic of this type.



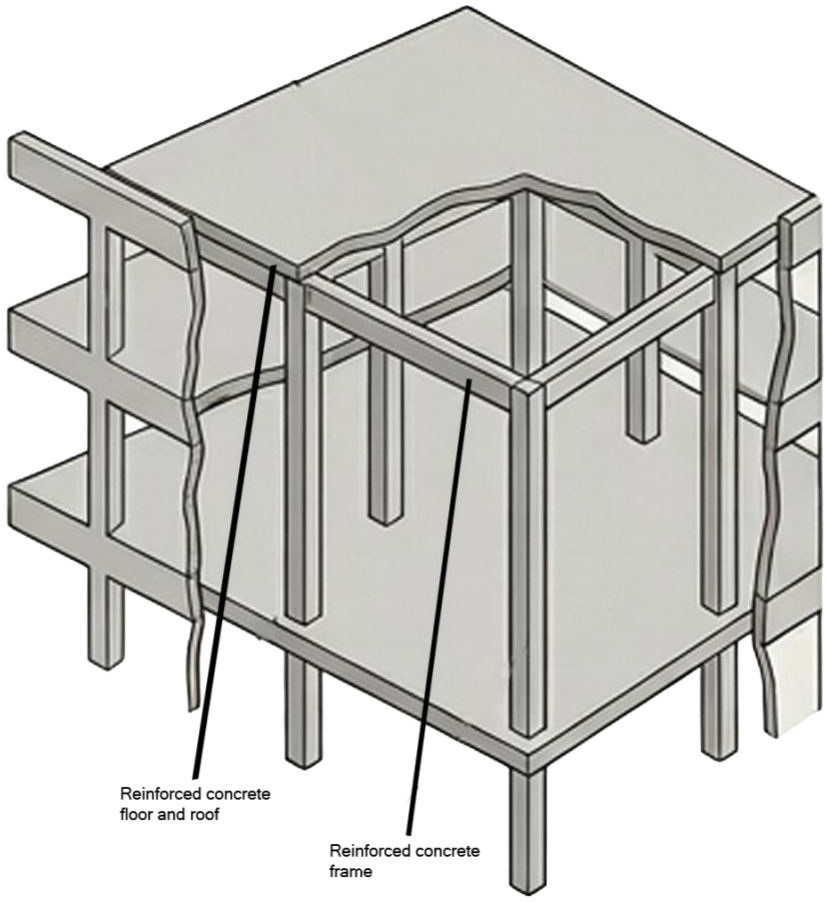
Protected Steel Frame / Modified Fire Resistive (ISO 5)

A building where the structural floors and roof, and their supports are of non-combustible construction with a fire rating of not less than one hour. A building very similar to Construction Type D - Steel Frame; however, in Type E the non-combustible floor, roof, and framing components are protected with sprayed-fiber fireproofing. Buildings classified as ISO Class 5 are characteristic of this type.



Reinforced Concrete Frame / Fire Resistive (ISO 6)

A building where the structural floors and roof, and their supports are of materials such as precast or poured-in-place reinforced concrete, with a fire resistive rating of not less than two hours. Buildings classified as ISO Class 6 are characteristic of this type.



Appendix A:

Statement of General Assumptions and Limiting Conditions

This valuation studies and reports developed through this offering are subject to the following general assumptions and limiting conditions:

1. This report cannot be included or referred to in any prospectus, offering memo, loan agreement, or any registration statement such as Securities and Exchange Commission filings or other public documents.

2. This report has been made only for the purpose and function stated and shall not be used for any other purpose. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. Neither Marsh nor the consultant is responsible for unauthorized use of this report. Neither this report nor any portions thereof (including without limitation any conclusions as to value, the identity of Marsh or any individuals signing or associated with this report, or the professional associations or organizations with which they are affiliated) shall be disseminated to third parties by any means without the prior written consent and approval of Marsh.

3. The date of value to which the conclusions and estimates expressed in this report apply is set forth in this report. This value estimate is based on the purchasing power of the noted currency as of this date. The estimate of insurable value is predicated on the financial structure prevailing as of the date of this study.

4. Any allocation in this report of the total valuation among components of the property and the weighting of the reported values among the various valuation approaches applies only to the program of utilization stated in this report. The separate values for any components or approaches may not be applicable for any other purpose and must not be used in conjunction with any other valuation study.

5. The values shown in this report are based on available information. In instances where we have not received information from respective sources, we have used costs or values utilizing the next best available information. In the event that we

receive further information that would materially affect this report, we will advise you.

6. For events that occur subsequent to the valuation date hereof, no responsibility is taken and no obligation is assumed to revise this report to reflect the impact, if any, of these events or changing conditions as they may have upon the subject although we reserve the right to do so. Neither Marsh nor any individuals signing or associated with this report shall be required by reason of this report to give further consultation, to provide testimony or appear in court or other legal proceedings, unless specific arrangements therefore have been made.

7. Marsh assumes no responsibility for legal matters including interpretations of either the law or contracts. No investigation has been made of, and no responsibility is assumed for, the legal description, or for legal matters including rights of title or encumbrances. Title to the property is assumed to be good and marketable unless otherwise stated. The property is further assumed to be free and clear of liens, easements, encroachments and other encumbrances unless otherwise stated.

8. It was assumed, but not verified, that similar density of development, as it currently exists, could be achieved for the subject property under current zoning regulations. It is suggested that you consult with your insurance broker or agent and/or insurance company to ensure proper coverage. Zoning bylaws are an insurance policy coverage issue, not a valuation issue.

9. The mechanical and heating systems, piping, plumbing and other building services and equipment, if included in the report, were assumed to be in good working condition and adequate for the building(s). The equipment was not tested, nor did Marsh assume any responsibility for testing of such.

10. The costs concluded in this report are only valid as at the specified appraisal date. No consideration was given to future economic factors including inflation / deflation, currency exchange fluctuations, labour, etc.

11. Full compliance with all applicable federal, provincial and local zoning, use, occupancy, environmental, and similar laws and regulations is assumed, unless otherwise stated.

12. It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, provincial, or national government or private entity or organization have been, or can readily be obtained, or renewed for any use on which the value estimates provided in this report are based.

13. Responsible ownership and competent property management are assumed.

14. The value conclusions within our reporting exclude development cost charges as may be charged by individual municipalities. The application of development cost charges, if applicable, can vary over time and by municipality, and thus are excluded.

15. Information furnished by others or taken from Company reports and records, standard reference manuals, publications and other sources, upon which all or portions of this report are based, is believed to be reliable, but has not been verified in all cases. No warranty is given as to the accuracy of such information.

16. We have not been engaged nor are we qualified to detect the existence of hazardous or toxic materials or wastes that may or may not be present on or near the property. The presence of potentially hazardous substances such as asbestos, urea-formaldehyde foam insulation, industrial wastes, etc. may affect the value of the property. The value estimate herein is predicated on the assumption that there is no such material on, in, or near the property that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discover them. The client should retain an expert in this field if further information is desired.

Marshall & Swift Valuation Disclaimer

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it be assumed that the material or costs presented to the Client will not be changed due to local or national conditions. Nothing contained in the Marshall Valuation Service shall be construed as a recommendation to use any product or process.

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